

I think Mervyn is saying "it's over to you George"

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I liked this paragraph from Mervyn King's letter to George Osborne on inflation, today. [He said:](#)

The big risks currently facing the UK economy come from the rest of the world. In responding to those risks, or indeed to other risks in either direction, the MPC can use Bank Rate or asset purchases to achieve its objective. There is, however, a limit to what monetary policy can do when large real adjustments are required. And it cannot influence inflation over the next few months. But it can ensure that the adjustment takes place against a backdrop of low inflation in the medium term. In so doing, monetary policy will make the best contribution it can to high and stable levels of growth and employment.

I think you can fairly say that's as clear a message as he can send which says "I've done all I can, now it